



Roll Call Number

19-1503

Agenda Item Number

35

Date September 23, 2019

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH TERRACE HILL 1, LLC FOR THE REDEVELOPMENT OF AN 87-ROOM HOTEL AT 2525 GRAND AVENUE AND FOR REDEVELOPMENT OF THE 2,100-SQUARE-FOOT COMMERCIAL BUILDING AT 2515 GRAND AVENUE.

WHEREAS, Terrace Hill 1, LLC, Jake Christensen, Christensen Development, 215 East 3rd Street, Suite 300, Des Moines, Iowa, is proposing to renovate the existing building at 2525 Grand Avenue to restore the building to its original use as a hotel; and,

WHEREAS, the hotel would have a boutique in feel, unique to the 50-60's era, and include significant art as part of the common areas and have a local restaurant as part of the project; and,

WHEREAS, additionally, the project would include renovation and redevelopment of the 2,100-square-foot commercial building located adjacent to the site at 2515 Grand Avenue; and,

WHEREAS, the total project costs are estimated at \$18.2 million; and,

WHEREAS, the Developer seeks reimbursement of the project generated tax increment from the taxable building valuations on a declining schedule of 100% for years 1-4, 80% in years 5-8, and 75% in years 9-14, with a cap of \$2.5 million; and,

WHEREAS, the Developer has provided the Office of Economic Development with a financial analysis of the project, indicating a gap between actual project costs and the project appraisal and seeks a financial assistance package to be provided from project generated tax increment as more specifically described in the accompanying Council Communication.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. The City Council hereby approves the preliminary terms of agreement as set forth in the accompanying Council Communication; and,

(Continued)



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- 2. Directs the City Manager or his designee to negotiate final terms of agreement for future consideration by the City Council.

MOVED by Gatto to adopt.

(Council Communication No. 19- 413)

FORM APPROVED:

Thomas G. Fisher Jr.

Thomas G. Fisher Jr.
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
WESTERGAARD	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

J. M. Frank Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Diane Rauh City Clerk